GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4123
ANSWERED ON:14.12.2001
BANK BRANCHES IN RURAL AREAS
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Will the Minister of FINANCE be pleased to state:

(a) whether all nationalised banks are having two third of its branches in rural areas;

(b) if so, the details thereof and if not, the reasons therefor;

(c) whether several rural non-viable branches have been closed down to curtail on the expenditure;

(d) if so, the bank-wise number of branches closed during the last three years;

(e) the State-wise details of such districts where there are no rural branches of nationalised banks;

(f) the bank-wise number of proposals for opening branches in rural areas pending with RBI;

(g) whether RBI provides any special incentives to nationalised banks to open more branches in rural areas;

(h) if so, the details thereof; and

(i) the steps taken by the government to open more branches of nationalised banks in rural areas?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(c) and (d) : As per the present policy of Reserve Bank of India, while closure of the loss making branches atrural centres having a single commercial bank branch is not permitted, at centres served by two commercial bank branches (excluding that of RRBs) the decision for closure of one of the branches may be taken by the concerned banks by mutual consultation without involving State Government and District Consultative Committee.Recently, under reconstruction plan, three weak banks namely, Indian Bank, UCO Bank and United Bank ofIndia have also been allowed to close some of their loss making rural branches. Bank-wise number of branches of public sector banks closed/merged/converted during the last three years is given in the Annexure-II.

(a) and (b) : Bank-wise number of total branches of public sector banks and also the number of rural branches as on June 30, 2001 are given in Annexure-I. Of the total 46078 branches, 19347 branches (around 42 per cent) of these banks are in rural areas.

(e) State/Union Teritorry-wise list of districts where there are no branches of public sector banks in rural areas as on June 30, 2001 is given below:

Name of State	Name of District
1. Arunachal pradesh	Upper Subansari
2. Manipur	Thoubal
3. Daman & Diu	Daman

(f): Bank-wise/State-wise proposals received by Reserve Bank of India for opening branches in rural area whichare pending on account of non-submission of relevant documents by the banks are as given below:

Name of the bank	Centre	District	State

Punjab National Bank Pillaiyarpatti Shivganga Tamil Nadu
Bank of India Bharech Nagar,Sandi Hazaribagh Bihar
Bank of India Barhi Hazaribagh Bihar
Punjab National Bank Gadarpur Udhamsingh Nagar Uttar Pradesh
State Bank of Patiala Karsog Mandi Himachal Pradesh
State Bank of Saurashtra Kera Kachchh Gujarat
State Bank of Indore Khal Khargone Madhya Pradesh
State Bank of Indore Suvasra Mandsaur Madhya Pradesh

(g),(h)& (i): As per the extant branch licensing policy of RBI, banks can open branches at the centres of theirchoice and they do so after taking into account factors such as viability/profitability, security and availability of infrastructure at the proposed centre.